



House of Representatives

General Assembly

File No. 360

January Session, 2015

House Bill No. 6677

House of Representatives, April 1, 2015

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING BROKER PRICE OPINIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-526 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 The provisions of sections 20-500 to 20-528, inclusive, concerning the
4 certification or provisional licensing of real estate appraisers shall not
5 apply to (1) any person under contract with a municipality who
6 performs a revaluation of real estate for assessment purposes pursuant
7 to section 12-62, and (2) any licensed real estate broker or real estate
8 salesperson who estimates the value of real estate, [as part of a market
9 analysis performed for the owner of the real estate or a designee of the
10 owner, on such terms as may be agreed upon between such owner or
11 the owner's designee and the real estate broker or real estate
12 salesperson, for the purpose of (A) a prospective listing or sale of such
13 real estate, (B) providing information to the seller or landlord under a
14 listing agreement, or (C) providing information to a prospective buyer
15 or tenant under a buyer or tenant agency agreement, provided such

16 estimate of value shall not be referred to or be construed as an
17 appraisal. If such owner executes a listing contract with the real estate
18 broker or real estate salesperson who so estimated the value of the real
19 estate for the sale of the real estate and such real estate contains any
20 building or other structure, occupied or intended to be occupied by no
21 more than four families, then such owner shall be credited against any
22 compensation the owner pays on account of such listing contract for
23 any fee paid by the owner for such estimate of value.]

24 Sec. 2. (NEW) (*Effective October 1, 2015*) Any real estate broker or real
25 estate salesperson, who is not a certified appraiser or licensed
26 provisional appraiser pursuant to sections 20-500 to 20-528, inclusive,
27 of the general statutes, may (1) estimate the value of real estate for a fee
28 or other valuable consideration, provided such broker or salesperson
29 does not hold himself or herself out as a certified appraiser or licensed
30 provisional appraiser, and (2) in the ordinary course of business,
31 perform a comparative market analysis, provide a price opinion or
32 provide an estimate of the value of real estate, provided such analysis,
33 opinion or estimate shall not be referred to or be construed as an
34 appraisal.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	20-526
Sec. 2	<i>October 1, 2015</i>	New section

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill results in no fiscal impact to the state as it concerns the practice of private individuals and does not impact the duties of the Department of Consumer Protection.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 6677*****AN ACT CONCERNING BROKER PRICE OPINIONS.*****SUMMARY:**

This bill expands the circumstances in which real estate brokers or salespersons who do not hold an appraiser's license or certification may estimate the value of real estate. It allows such brokers or salespersons, to:

1. estimate the value of real estate for a fee or other valuable consideration if they do not hold themselves out to be licensed or certified appraisers and
2. in the ordinary course of business, perform comparative market analyses and give price opinions or estimates of value so long as an analysis, opinion, or estimate is not referred to or construed as an appraisal.

Under current law, brokers or salespersons may, without an appraiser's license or certification, estimate the value of real estate only in connection with (1) a prospective listing or sale or (2) providing information to a (a) seller or landlord under a listing agreement or (b) prospective buyer or tenant under a buyer or tenant agency agreement.

The bill eliminates a requirement that certain property owners receive a credit, against any amount owed under a listing contract, for any fee they pay a broker or salesperson for an estimate. Under current law, the listing contract must be for the sale of real estate that contains a building occupied, or intended to be occupied, by up to four families.

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 15 Nay 1 (03/17/2015)